



**WARWICKSHIRE**  
PENSION FUND

**2023 Annual General Meeting**

Governance and Investments Review

Victoria Moffett – Lead Commissioner Pensions and Investments

# Purpose

Ensure that funds are available to pay member pensions when they are due

Ensure that pensions are paid accurately and on time when they are due

Fund Investments

Employer and  
Employee Contributions

Data Quality

Fund Administration

# Governance

Staff and Pensions Committee	Pension Fund Investment Sub-Committee	Local Pension Board
<p>Overall responsibility for functions relating to local government pensions. Delegates certain responsibilities to the Pension Fund Investment Sub-Committee.</p>	<p>Oversees the general framework within which the Fund is managed. Sets investment policy, makes investment decisions, and monitors the performance of fund managers.</p>	<p>Assist the fund in ensuring sound governance arrangements are in place, providing oversight and scrutiny to the Fund's activities and policies and assist in ensuring compliance with relevant regulations and codes of practice.</p>
<p>Cllr Yousef Dahmash (Chair)            *Cllr Andy Jenns (former Chair)            Cllr Bill Gifford (Vice-Chair)            *Cllr John Horner            Cllr Christopher Kettle            Cllr Sarah Millar            Cllr Brian Hammersley            Cllr Mandy Tromans</p>	<p>Cllr Christopher Kettle (Chair)            *Cllr John Horner (former Chair)            Cllr Bill Gifford (Vice-Chair)            Cllr Sarah Millar            Cllr Brian Hammersley            Cllr Mandy Tromans</p>	<p>Keith Bray (Independent Chair)            *Cllr Parminder Singh Birdi            Keith Francis            Alan Kidner            Sean McGovern            Mike Snow            Cllr Ian Shenton            Jeff Carruthers</p>

\*These individuals served during the year ending 31 March 2023, however, are not current members.

# Wider Governance

**HM Treasury**

**National Scheme  
Advisory Board**

**Section 151 Officer**

**LGPS Pool: Border to Coast  
Pensions Partnership**

**CIPFA**

**Department for Levelling Up,  
Housing and Communities**

**The Pensions Regulator**

**Pensions Ombudsman**

**Local Government Association**

# Macro Themes

1. Continuation of war in Ukraine
2. Increasing risks from climate change
3. High, sustained, inflation
4. Rapid global interest rate rises
5. LGPS Consultation: Next Steps on Investment
6. Cyber security awareness

# Key Responsibilities

**Funding**

**Liquidity**

**Investment  
Strategy**

**Implementation**

**Policies**

**Accounts**

# Funding and Liquidity

## Membership increases

56,945 members (2022: 54,329)

Around half of these relate to  
Warwickshire County Council

223 active employers (2022: 206)

## Funding Level improvements

2016: 82%

2019: 92%

2022: 104%

2023: 134%

## Cashflow Stability

£93.1m contributions received

£91.4m benefits paid

£2.75bn assets available to fund benefits

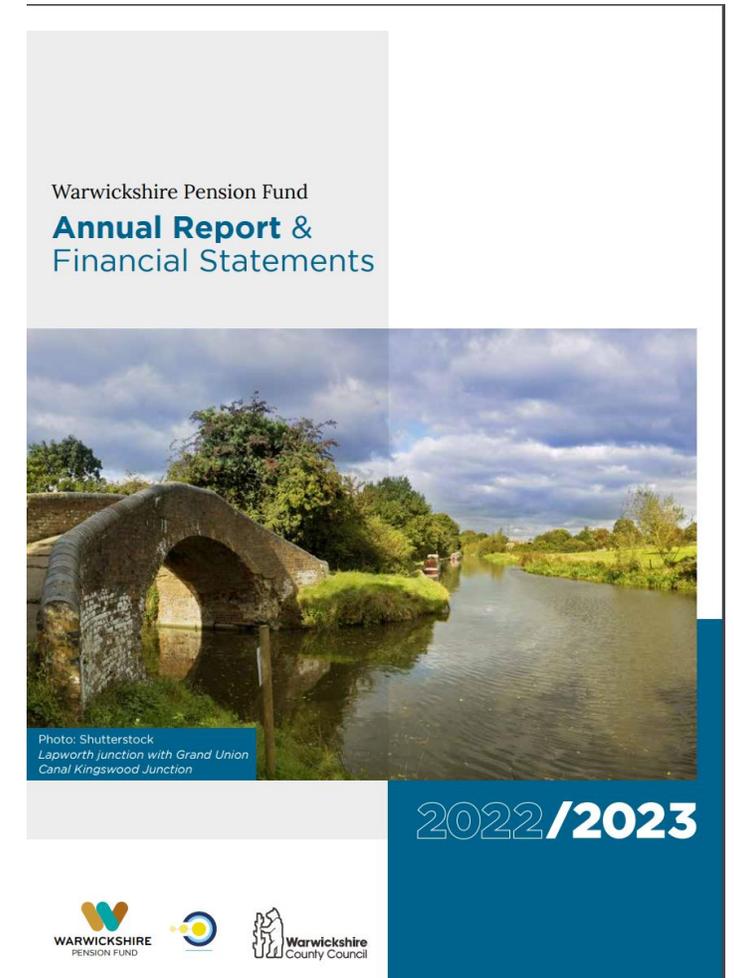
# Investment Strategy and Implementation

- Reduced overweight to UK Equities
- Increased allocations to Private Markets: Equity, Infrastructure and Debt
- Balanced implementation through passive and active management
- *3 year return to 30 September 2023 of 7.2% p.a. against a required return of 4.0% p.a.*

Asset class %	Current Target	Control range	Long term target
UK equities	16.0	+/-2.5	8.0
Developed markets (ex UK) equities	30.0	+/-2.5	28.0
Emerging markets equities	3.0	+/-2.5	6.0
Private equity	4.0	-	6.0
<b>Total Growth</b>	<b>53.0</b>	-	<b>48.0</b>
Property	10.0	-	10.0
Infrastructure	7.0	-	10.0
Private debt	5.0	-	7.0
Multi-asset credit	10.0	-	10.0
<b>Total Income</b>	<b>32.0</b>	-	<b>37.0</b>
UK corporate bonds	10.0	+/-1.5	10.0
UK index linked bonds	5.0	+/-0.5	5.0
<b>Total Protection</b>	<b>15.0</b>	-	<b>15.0</b>
<b>Total</b>	<b>100.0</b>	-	<b>100.0</b>

# Policies

- Accounting policies
- Administration strategy
- Admissions and termination
- Annual report and financial statements
- Breaches
- Business plan
- Climate risk
- Communications
- Conflicts of interest
- Cyber security
- Funding strategy statement
- Governance
- Investment strategy
- Responsible investment
- Risk register
- Training
- Voting



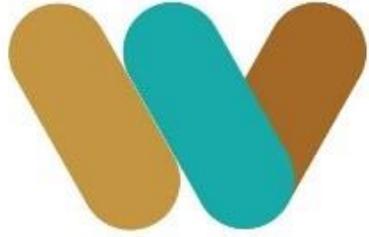
# Accounts

2021/2022		2022/2023
£m	Notes	£m
	<b>Dealings with members, employers and others directly involved in the fund</b>	
(86.7)	Contributions 7	(93.1)
(16.9)	Transfers in from other schemes 8	(12.4)
(103.6)		(105.5)
88.9	Benefits payable 9	91.4
8.4	Payments to and on account of leavers 10	9.5
97.3		100.9
(6.3)	<b>Net (additions)/withdrawals from dealing with members</b>	<b>(4.7)</b>
16.1	Management expenses 11	21.1
9.7	<b>Net (additions)/withdrawals including fund management expenses</b>	<b>16.4</b>
(21.5)	<b>Returns on investments</b>	
	Investment income 13	(22.4)
(81.6)	Profit and losses on disposal of investments 23	(79.9)
(113.9)	Changes in the market value of investments 23	117.8
(217.1)	<b>Net return on investments</b>	<b>15.5</b>
(207.4)	<b>Net (increase)/decrease in the net assets available for benefits during the year</b>	<b>31.0</b>
(2,574.1)	<b>Opening net assets of the scheme</b>	<b>(2,781.5)</b>
(2,781.5)	<b>Closing net assets of the scheme</b>	<b>(2,750.5)</b>

## Net Assets Statement

2021/2022		2022/2023
£ m	Notes	£m
1.2	Long-term Assets	1.2
2,722.1	Investment assets 15 / 16 / 17	2,662.6
35.1	Cash deposits 15 / 16 / 17	65.2
2,758.4	<b>Total net investments</b>	<b>2,729.0</b>
27.0	Current assets 29	26.5
(3.9)	Current liabilities 30	(5.1)
2,781.5	<b>Net assets of the fund available to fund benefits at the period end</b>	<b>2,750.5</b>

The Fund's financial statements do not take into account liabilities to pay pensions and other benefits after the period end. The actuarial present value of promised retirement benefits is disclosed in the Actuary's Statement (Note 28).



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PENSION FUND

# Questions?

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